

AGENDA



Recommendation for Council Action

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| Austin City Council | Item ID | 8169 | Agenda Number | 92. |
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| Meeting Date: | 8/25/2011 | Department: | Treasury |
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Subject

Approve an ordinance authorizing the issuance of \$8,450,000 in City of Austin Public Improvement Bonds, Taxable Series 2011B, and all related documents, and approve related fees. The funding is for reimbursement resolutions that have already been approved by Council and the funds will be used for Affordable Housing projects approved by the Austin voters in the 2006 bond election.

Amount and Source of Funding

\$443,625 for first year debt service requirement and an estimated annual administration fee of \$400 for the paying agent/registrar for the proposed bond sale is included in the 2011-2012 Proposed Operating Budget of the General Obligation Debt Service Fund.

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

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| Purchasing Language: | |
| Prior Council Action: | Council approved Reimbursement Resolutions related to this bond issuance on 9/14/09 and 9/13/10; Council approved Bond Sale Schedule on 7/28/11. |
| For More Information: | Art Alfaro, Treasurer 974-7882. |
| Boards and Commission Action: | |
| MBE / WBE: | |
| Related Items: | |

Additional Backup Information

It is recommended that the City Council approve an ordinance authorizing the issuance of the City of Austin Public Improvement Bonds, Taxable Series 2011B, in the amount of \$8,450,000. The \$8,450,000 in Public Improvement Taxable Bonds is being issued to provide funding for reimbursement resolutions that have already been approved by Council and the funding will be used for Affordable Housing projects that were approved by the Austin voters in the 2006 bond election. Reimbursement resolutions declare an issuer's official intent to reimburse a project expenditure with the proceeds of obligations to be issued after the expenditure is incurred. The action is required by IRS and U.S. Treasury rules. The City generally submits reimbursement resolution for Council consideration as part of the annual budget adoption in September, the same time as the new capital appropriations.

Electronic bids will be accepted beginning at 10:00 a.m. Central Daylight Time ("CDT") and ending at 10:30 a.m. CDT, on Thursday, August 25, 2011. Bids will be verified by the City's Financial Advisor, Public Financial Management, Inc.

This item has been posted for not later than 2:00 p.m. to allow Council action prior to the close of financial markets.

The General Obligation Debt Service cost for the \$8,450,000 issuance is estimated as follows:

| | <u>2011-2012</u> | <u>Total Cost over 20 Years</u> | <u>Average Per Year</u> |
|--------------------|------------------|-------------------------------------|-----------------------------|
| Principal | \$ 0 | \$ 8,450,000 | \$422,500 |
| Interest | <u>443,625</u> | <u>6,020,438</u> | <u>301,022</u> |
| Total Debt Service | \$ 443,625 | \$14,470,438 | \$723,522 |